



Written Testimony of
Sharon M. Palmer, Commissioner
Department of Labor
Labor and Public Employees Committee
January 29, 2015

Good Afternoon Senator Winfield, Representative Tercyak, Senator Hwang, Representative Rutigliano and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with written testimony regarding *House Bill 5210 AAC Eligibility for Unemployment Compensation and Seasonal Agricultural Business*. My name is Sharon Palmer and I am the Labor Commissioner.

If the department's understanding of the intent of this proposed bill is correct, the state would be both out of conformity and out of compliance with federal law. It is not permissible under state or federal law to exempt an agricultural employer from liability based on when the wages were paid or how much wages were paid to a specific employee, nor is it permissible under federal law to permit only a portion of covered wages to be considered when determining an individual's eligibility for unemployment.

The consequences of being out of conformity and out of compliance are the possible loss of administrative funding for the UI program and the loss of Federal Unemployment Tax Act (FUTA) credits for our state's employers. Administrative funding for the UI program represents approximately 60% of the CTDOL budget and loss of FUTA credits would cost the state's employers approximately \$500 million annually.

From an administrative perspective, the bill would require a tremendous effort to modify automated systems and processes - creating an administrative burden on DOL staff and jeopardizing current modifications.

Thank you for the opportunity to provide this testimony.